

# SPD - FUDS Planning, Programming, Budgeting, and Execution System (PPBES) - REF8019

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## Scope

This document describes briefly PPBES nomenclatures and elements, cycles, yearly events and schedules, and responsibilities.

## Policy

### **AR 1-1, Planning, Programming, Budgeting, and Execution System**

[[http://www.usapa.army.mil/pdffiles/r1\\_1.pdf](http://www.usapa.army.mil/pdffiles/r1_1.pdf)]

EC 200-3-7 (soon to be ER 200-3-1), FUDS Program Manual, Chapter 6

### **ER 5-1-11, US Army Corps of Engineers Business Process**

[<http://www.usace.army.mil/inet/usace-docs/eng-regs/er5-1-11/entire.pdf>]

Management Guidance for the Defense Environmental Restoration Program, ODUSD (I&E), September 2001

## Distribution



MQ (CEMP-RF)

~~Division~~ Response: Accepted



~~FUDS~~ Program Manager (PgM) Response: Rejected

Project Manager (PM)

Project Delivery Team (PDT)

## Ownership

The BP/P2 Configuration Manager is responsible for ensuring that this document is necessary and that it reflects actual practice.

## System References

Formerly Used Defense Sites (FUDS) Planning, Programming, Budgeting, Executing, and Reporting Process [PROC7200]

## **Nomenclature Acronyms Response: reworded**

**Budget Estimate Submission (BES)** - Each service's two-year budget proposal based on PDM. The POM's first two budget years programs are the service's budget estimate submission, although all other POM years' fiscal data are summarized and included.

**Budget Year (BY) Annual Workplan (AWP)** - CEMP-RF's draft work directive for BY execution. The draft quarterly obligation or execution plan of the PB (BY program of the FYDP) is the initial draft BY AWP. This BY AWP will be updated each time POM and BES are updated. Upon HQDA approval in October after Congressional authorization/appropriation and the President's signing of the appropriations bill, this becomes the approved CFY AWP.

**Cost-to-Complete (CTC)** - An estimate of current and future costs of a project derived by using the appropriate cost estimating tool, such as RACER or MCACES.

**Current Fiscal Year (CFY) Annual Workplan (AWP)** - CEMP-RF's official work directive based on the CFY appropriated budget for divisions/districts to execute. It consists of all CFY line items in the official Life Cycle Plan (LCP).

**Defense Planning Guidance (DPG)** - It contains Secretary of Defense's long-range goals and fiscal guidance. It is a major link between Planning and Programming.

**Life Cycle Cost (LCC)** - An estimate of the total life cycle costs of a project derived by using the appropriate cost estimating tool, such as RACER or MCACES.

**Life Cycle Plan (LCP)** - It contains all historical project costs (FY84 through prior fiscal year actual obligations), CFY workplan data, and all future programming data (project estimate from BY through time to complete (TTC))[Response: rejected-](#)

**President's Budget (PB)** - BES will be updated based on the PBD. The first budget year program of the updated BES is the PB. OMB assembles the one-year PB to be submitted to Congress.

**Program Budget Decision (PBD)** - Comptroller driven appropriation-oriented decisions upon review and analysis of the services' BES.

**Program Decision Memorandum (PDM)** - DoD's decision document designed to provide each service feedback on how close its POM meets the DPG; to provide each service a baseline for developing the Budget Estimate Submission (BES) and the President's Budget (PB).

**Program Objective Memorandum (POM)** - The memorandum that documents each service's proposals for resource allocation for six program years to meet fiscal constraints contained in the DPG and to meet DPG goals and each service's objectives.

## **Planning, Programming, Budgeting, Executing, and Reporting**

DoD's Planning, Programming, and Budgeting System (PPBS) is a biennial process used to acquire, allocate, account, and analyze resources (money and manpower) for the DOD. The

Army's process mirrors the DOD's, but is called the Planning, Programming, Budgeting, and Execution System (PPBES). FUDS process further includes Reporting phase.

**a. Planning:** Planning is the first phase of the PPBES. It looks out into the future to decide what we need to accomplish in order to meet DoD program goals. The essential document for the FUDS Program is the Management Guidance for the Defense Environmental Restoration Program and the DPG. This document sets the objectives, tone, and fiscal constraints for the rest of the PPBES cycle

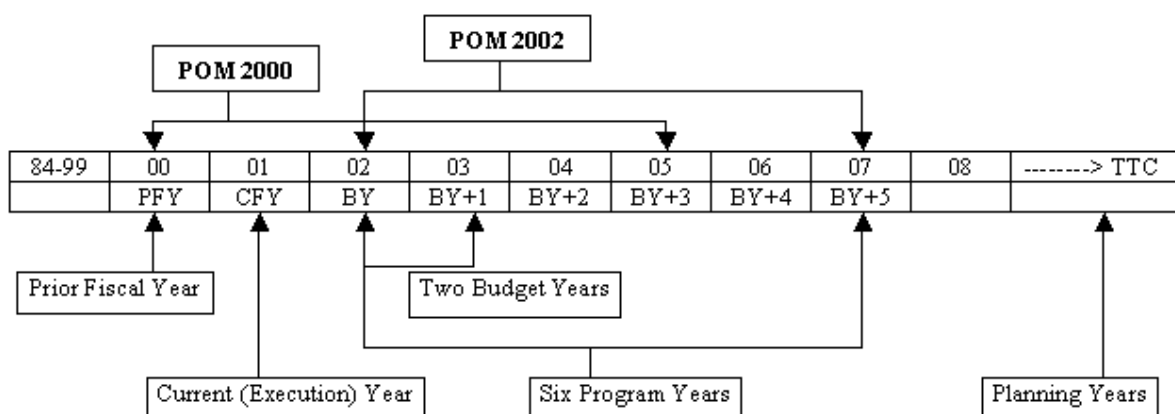
**b. Programming:** Programming is the second phase of the PPBES. It determines how we are going to meet DoD program goals under the fiscal constraints imposed by the DoD. That is, we translate DPG objectives into proposals for resource allocation in the Program Objective Memorandum (POM). DoD consolidates all services' POMs for review and analysis; and issues the Program Decision Memorandum (PDM).

**c. Budgeting:** Budgeting is the third phase and focuses on near term fiscal reality. The budget is the way we are actually going to spend our resource allocation. The budget must accurately reflect program costs. Key documents in this phase are the Budget Estimate Submission (BES) and the President's Budget (PB) or BY AWP. Please note that the BES is the refinement of the POM's first two-year programs. The PB is the further refinement of the BES' first year program.

**d. Execution:** Execution is the fourth phase. Upon Congressional authorization and appropriation and upon President's signing of the appropriations bill, the execution of the PB begins. It is where the projects are awarded and products and services are developed. A key document in this phase is CFY AWP (quarterly obligation plan of the PB).

**e. Reporting:** Reporting occurs throughout the PPBES cycle. Key documents are POM exhibits, BES, PB, the CFY/BY AWP, Annual Report to Congress (ARC), the official LCP, and information required at the DoD In Progress Review (IPR).

## FUDS Life Cycle Time Line



TTC = Time to Complete [add to REF8000 or change verbage on graph](#) . [Response: accepted](#)

Preparation of POM and BES is a biennial event. However, both POM and BES will be prepared/updated annually due to the nature of the annual Federal budget process.

## PPBES Yearly Events Affecting Each FY Program

	FY01												FY02												FY03												
	O N D J F M A M J J A S												O N D J F M A M J J A S												O N D J F M A M J J A S												
FY01 Prog	<----- EXECUTE ----->												<-- ARC -->																								
FY02 Prog	BES 02-03 PB APPN <----- EXECUTE ----->												<-- ARC -->																								
	Build																																				
FY03 Prog	POM BES 02-07 02-03 PB APPN <----- EXECUTE ----->												<-- ARC -																								
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FY04 Prog	DPG POM BES 04-09 04-05 PB APPN <- EXECUTE																																				
	Build Build																																				
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DPG – Defense Planning Guidance

ARC – Annual Report to Congress

POM – Program Objective Memorandum

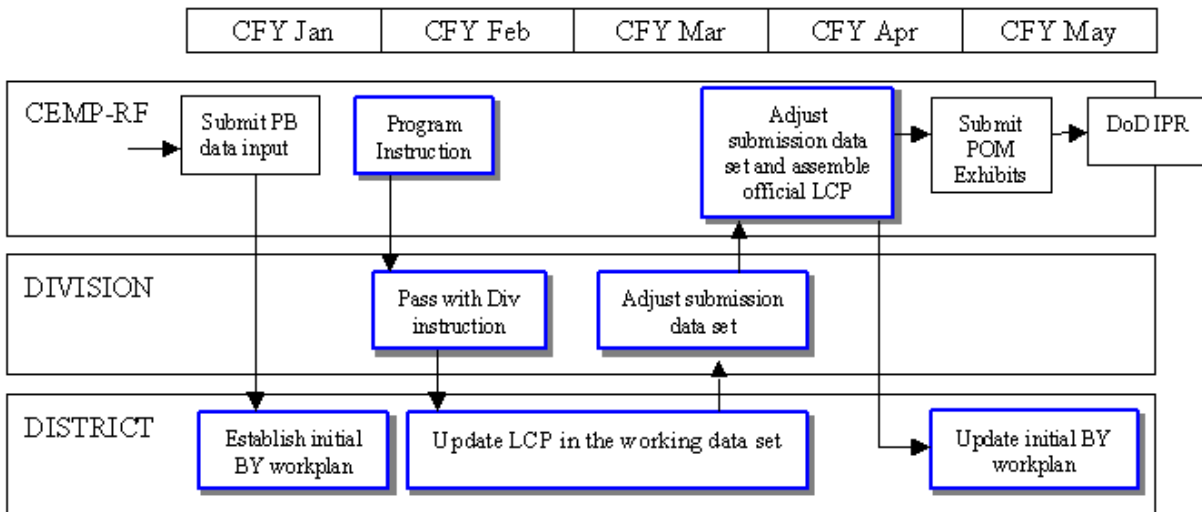
BES – Budget Estimate Submission

PB – President’s Budget

APPN - Appropriations

From this figure, you will see that during FY02, while we are executing FY02 program, we are also working on PB for FY03 execution, building POM2004 (FY04 – FY09) and BES2004 (FY04 and FY05), and preparing data for FY2001 ARC.

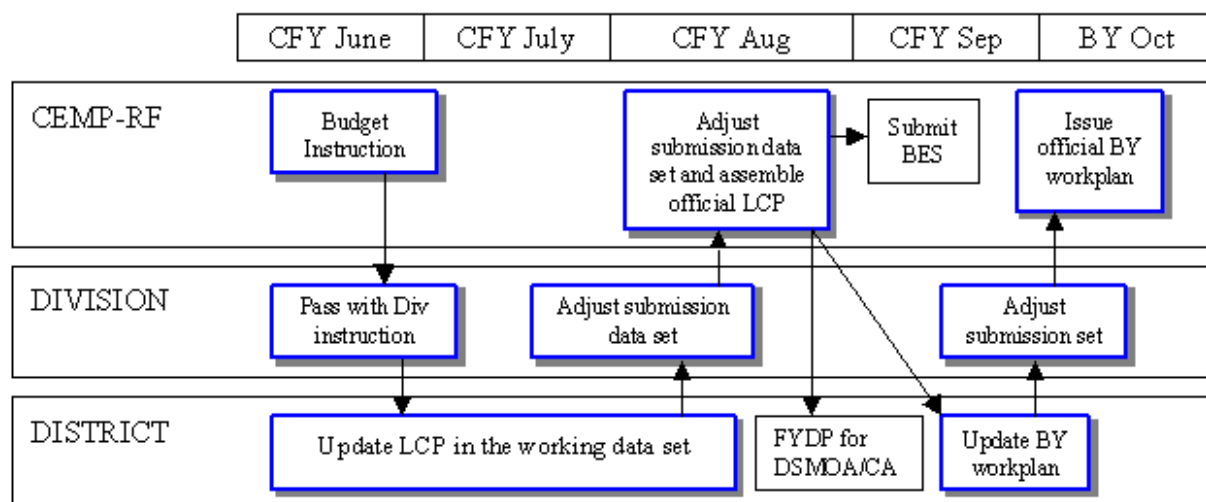
## FUDS Programming Phase



  Decisions to be recorded in the FUDSMIS

**FUDS POM Exhibit Data Submission.** PM Districts shall update their LCP of the working data set in the FUDSMIS based on the allocated POM numbers during February through March each year. Divisions review and adjust the districts' LCP data and establish division-wide LCP in the FUDSMIS. HQUSACE reviews and adjusts the divisions' LCPs in FUDSMIS and establishes the official LCP during April each year. HQUSACE prepares the FUDS POM exhibit data based on the official LCP by completing the POM exhibit formats in accordance with the DoD PPI. The POM exhibits cover nine years, that is, PY-1, PY, CY, BY, BY+1, BY+2, BY+3, BY+4, BY+5, and Balance to Complete. In April/May of each year, HQUSACE submits the FUDS POM Exhibits to DA/DoD. Also, divisions/districts update their draft BY AWP in the FUDSMIS.

## FUDS Budgeting Phase

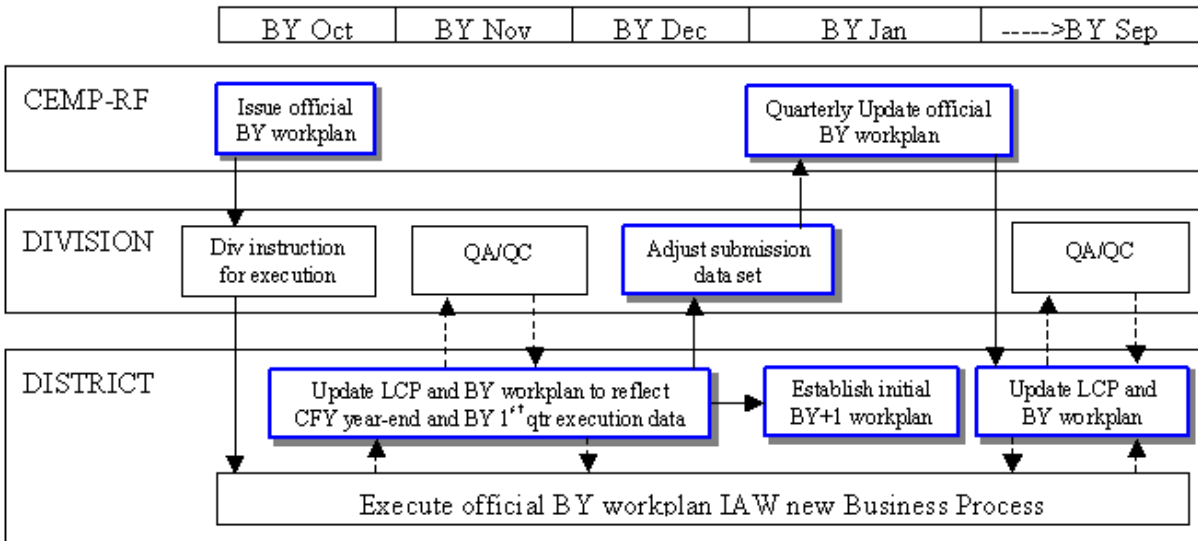


  Decisions to be recorded in the FUDSMIS

**FUDS Budget Estimate Submission (BES)** PM Districts shall update their LCP of the working data set in the FUDSMIS based on the FUDS PBG (contains updated BDI) during June through early July each year. Divisions review and adjust the districts' data set and establish division-wide LCP in the FUDSMIS in mid-July. HQUSACE reviews and adjusts the LCP of the divisions' data set and establishes the official LCP in the FUDSMIS in late July each year. HQUSACE prepares the FUDS BES based on the official LCP by completing the budget exhibits for the BES and the PB in accordance with the current DoD Financial Management Regulation (FMR), published under the authority of DoDI 7000.14R. The budget exhibits for the BES and the PB cover eight years in odd years and seven years in even years, due to biennial nature of the POM/BES cycle.

- For instance, if we are in FY1999 and executing the final year of the FY98/99 PB, the budget exhibits will cover eight years, FY98 (actual), FY99, FY00, FY01, and summary information for four subsequent program years FY02 through FY05.
- If we are in FY2000 and executing the final year of the FY00/01 PB, the budget exhibits will cover seven years, FY99 (actual), FY00, FY01, and summary information for four subsequent program years FY02 through FY05. In August of each year, HQUSACE submits the FUDS BES to DA/DoD.

## FUDS Execution Phase



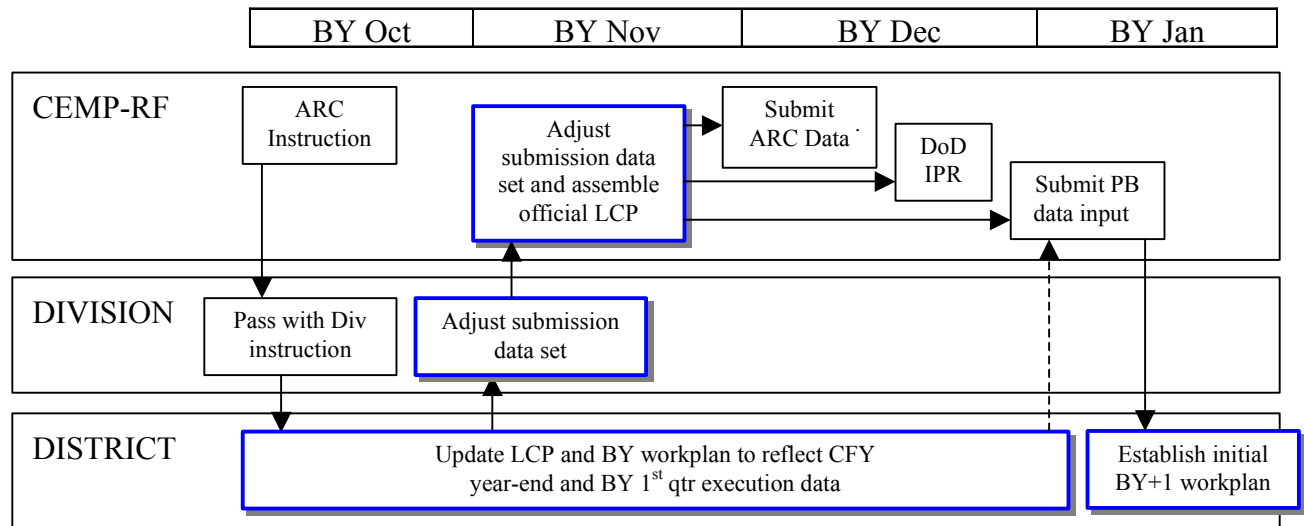
  Decisions to be recorded in the FUDSMIS

**Official Approved CFY AWP.** HQUSACE finalizes the BY AWP in late September each year. After Congressional authorization/appropriation and upon HQDA approval, this BY AWP becomes the official approved CFY AWP for divisions/districts execution.

**Year-end AWP Summary Update.** Divisions/Districts must update the LCP and CFY AWP through the FUDSMIS during October and November, based on the results of the prior year execution for both in-house expenditures and contract award amounts. This information is used to support the DoD IPR and the Annual Report to Congress.



## FUDS Reporting Phase



  Decisions to be recorded in the FUDSMIS

**Annual Report to Congress (ARC).** The DoD publishes the ARC detailing the progress and accomplishments of DERP for each FY. HQUSACE, as Executing Agent, is responsible to provide the requested information that makes up the ARC. The initial request for development of the ARC is October for the previous FY execution. PM Districts shall update their LCP and other required ARC data of the working data set in the FUDSMIS based on HQ instructions during October through November each year. Divisions review and adjust the districts' data set for HQ review. HQUSACE reviews and adjusts the divisions' LCP data and establishes the official LCP in the FUDSMIS in late November/early December. The preparation of the ARC, based on the official LCP data set, is to be conducted by a DoD contractor. The schedule of preparation is usually October through the following March.